

Message Text

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PAGE 01 DUSSEL 00650 150255Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-02 INR-10
L-03 NSAE-00 NSC-05 PA-02 SP-02 SS-15 ICA-20
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R 141100Z APR 78
FM AMCONSUL DUSSELDORF
TO SECSTATE WASHDC 3483
INFO USMISSION USBERLIN
AMEMBASSY BONN
AMCONSUL BREMEN
AMCONSUL FRANKFURT
AMCONSUL HAMBURG
AMCONSUL MUNICH
AMCONSUL STUTTGART
USAREUR HEIDELBERG
USAFE RAMSTEIN
USCINCEUR STUTTGART

UNCLAS DUSSELDORF 650

MIL ADDEES FOR POLADS

E.O. 11652: NA
TAGS: PINT GW
SUBJ: NEW SCANDAL STIRS NRW POLITICAL SCENE

REF: A. DUSSELDORF 324 B. DUSSELDOFR 104 C. DUSSELDORF 88

1. 1. AFTER THE DUST HAD SOMEWHAT SETTLED OVER THE POUILLAIN
AFFAIR (SEE REFTELS) THE POLITICAL SCENE IN NORTH RHINE-
WESTPHALIA (NRW) WAS STIRRED ANEW BY WHAT THE CDU CALLS
ANOTHER OUTRAGEOUS SCANDAL, INVOLVING (AGAIN) THE SEMI-
GOVERNMENTAL WESTDEUTSCHE LANDESBANK (WEST-LB), THE NORTH
RHINE-WESTPHALIAN (NRW) CABINET AND A NUMBER OF HIGH RANKING
POLITICIANS OF THE FDP. IT IS CHARGED THAT GOVERNMENT SUB-
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SIDIES AND WEST-LB LOAN TO AN AILING TEXTILE ENTERPRISE
AND CAMPAIGN DONATIONS BY THE ENTERPRISE TO THE FDP HAVE BEEN
INTERRELATED.

2. LEADING FDP PERSONALITIES, AMONG THEM FEDERAL
PRESIDENT WALTER SCHEEL, FORMER NRW INTERIOR MINISTER
WILLI WEYER AND WEST-LB PRESIDENT JOHANNES VOELLING

HAVE ALLEGEDLY BEEN THE RECIPIENTS OF GENEROUS PRESENTS BY THE LATE HERBERT REICHEL, A SELF-MADE TEXTILE MANUFACTURER AND FDP MEMBER. THE FDP HAS REPORTEDLY RECEIVED CAMPAIGN DONATIONS TOTALLING DM 70,000 WHILE THE NOW BANKRUPT REICHEL COMPANY RECEIVED WEST-LB LOANS TOTALLING DM 100 MILLION AND GOVERNMENT SUBSIDIES TOTALLING DM 30 MILLION.

3. NRW MINISTER OF ECONOMICS DR. HORST-LUDWIG RIEMER (FDP) WHOSE MINISTRY MUST APPROVE INDUSTRY SUBSIDIES, AND THE WEST-LB CLAIMED THAT THEIR DEALINGS WITH THE REICHEL FIRM HAD BEEN ENTIRELY CORRECT AND BOTH REPUDIATED SPECULATIONS ABOUT AN INTERRELATION BETWEEN THE LOANS AND SUBSIDIES AND CAMPAIGN DONATIONS AND FDP MEMBERSHIP OF THE DEFUNCT MANUFACTURER.

4. THE FDP IS FULLY SUPPORTING RIEMER AND THE WEST-LB AND STATED THAT IT HAD ONLY RECEIVED DONATIONS TOTALLING DM 20,000; ANY PERSONAL INVOLVEMENTS, ALTHOUGH UNLIKELY, WOULD BE CAREFULLY INVESTIGATED. THE CDU HAS DEMANDED A FULL INVESTIGATION AND SUGGESTED THAT THE CASE COULD BE TAKEN OVER BY THE LANDTAG'S POUILLAIN COMMITTEE (SEE REFTEL A), WHICH IS CHAIRED BY A CDU DEPUTY. THE FDP HAS REJECTED THE IDEA AND HAS CHALLENGED THE CDU TO REQUEST A SEPARATE COMMITTEE, WHICH WOULD BE CHAIRED BY A DEPUTY OF THE UNCLASSIFIED

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COALITION PARTY.

5. THE SPD HAS DECLARED THAT THE REICHEL CASE WILL NOT AFFECT ITS GOOD RELATIONS WITH THE FDP AND THAT THE CDU COULD NOT HOPE TO WIN THE FDP OR TO BUST THE SOLID SPD/FDP COALITION. THE SPD FULLY SUPPORTS THE FDP VIEW THAT THE SUBSIDIES IN QUESTION HAVE BEEN ABSOLUTELY CORRECT.

6. COMMENTS: THE REICHEL CASE HAS BEEN PRESENTED BY THE PRESS AS POLITICALLY EXPLOSIVE BUT MAY TURN OUT TO BE A DUD. IT IS NOT YET A GOVERNMENT CRISIS AND CERTAINLY NOT A COALITION CRISIS, AS THE CDU IS TRYING TO MAKE OUT. THE CDU MUST, HOWEVER, PROCEED WITH CAUTION AND NOT OFFEND THE FDP WHOM IT WANTS AND STILL NEEDS AS A COALITION PARTNER. REICHEL'S GIFTS TO THE FDP PERSONAGES AND HIS CAMPAIGN CONTRIBUTIONS WERE TOO PUNY TO BE PLAUSIBLY PRESENTED AS BAIT FOR THE SUBSTANTIAL LOANS AND SUBSIDIES, BUT RIEMER'S MINISTRY AND THE WEST-LB WILL BE HARD PUT TO JUSTIFY THEIR LARGESSE TO A FAILING CONCERN. THEIR DEFENSE WILL BE THAT THEY WERE ATTEMPTING TO RESCUE THE

REMAINING 600 TO 600 JOBS IN AN INDUSTRY AND AN AREA
(RHEINBERG/LOWER RHINE) UNDERGOING A STRUCTURAL CRISIS.DUX

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Message Attributes

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